

**Monthly Operating Report
ACCURAL BASIS**

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054
JUDGE:	Stacey Jernigan

**UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6**

MONTHLY OPERATING REPORT

MONTH ENDING: November 2020
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

James Seery
PRINTED NAME OF RESPONSIBLE PARTY

Chief Restructuring Officer/ Chief Executive Officer
TITLE

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

Frank Waterhouse
PRINTED NAME OF PREPARER

Chief Financial Officer
TITLE

1.07.21
DATE

**EXHIBIT
SE32**

Monthly Operating Report
ACCRUAL BASIS-1

CASE NAME:	Highland Capital Management, LP
CASE NUMBER:	19-12239-CSS

Comparative Balance Sheet

(in thousands)

	<u>10/15/2019</u>	<u>12/31/2019⁽⁶⁾</u>	<u>11/30/2020⁽⁶⁾</u>
Assets			
Cash and cash equivalents	2,529	9,501	13,367
Investments, at fair value ⁽³⁾	232,620	232,820	106,344
Equity method investees ⁽³⁾	161,819	183,529	94,853
Management and incentive fee receivable	2,579	1,929	1,496
Fixed assets, net	3,754	3,521	2,670
Due from affiliates ⁽¹⁾	151,901	146,276	150,152
Reserve against notes receivable		(57,963)	(59,393)
Other assets	11,311	11,463	8,961
Total assets	<u>\$ 566,513</u>	<u>\$ 531,076</u>	<u>\$ 318,449</u>
Liabilities and Partners' Capital			
Pre-petition accounts payable ⁽⁴⁾	1,176	1,141	1,077
Post-petition accounts payable ⁽⁴⁾	-	2,042	750
Secured debt:			
Frontier	5,195	5,195	5,195
Jefferies	30,328	30,020	-
Accrued expenses and other liabilities ⁽⁴⁾	59,203	63,275	58,254
Accrued re-organization related fees ⁽⁵⁾	-	5,547	7,823
Claim accrual ⁽²⁾	73,997	73,997	73,997
Partners' capital	396,614	349,857	171,353
Total liabilities and partners' capital	<u>\$ 566,513</u>	<u>\$ 531,076</u>	<u>\$ 318,449</u>

⁽¹⁾ Includes various notes receivable at carrying value, except note due from Hunter Mountain Investment Trust which is fully reserved against (\$59M reserve). Fair value has not been determined with respect to any of the notes.

⁽²⁾ Uncontested portion of Redeemer claim less applicable offsets. Potential for additional liability based on future events. No interest has been accrued beyond petition date. No additional accruals will be made on settlement claims until further approval by the court.

⁽³⁾ Mark to market gains/(losses) on investments include pricing updates for publicly traded securities and other positions with readily available market price information. Certain limited partnership interests normally marked to a NAV statement have not been updated as of period end as statements are generally available on a one-month lag.

⁽⁴⁾ Note on accruals: expenses recorded in Accounts Payable and Accrued Expenses and Other Liabilities reflect invoices recorded through accounts payable, legal invoice accruals, and normal course operating accruals, but do not reflect estimates for other incurred, but not yet received invoices. For balance sheet dates other than the Petition Date, amounts include both pre-petition and post-petition liabilities. There are additional compensation accrual amounts of \$5.7mm that are not accounted for as of the report date

⁽⁵⁾ Beginning December 31st, 2019, Debtor accrued for post-petition re-organization fees based upon an estimate of fees incurred to date.

⁽⁶⁾ All balances at December 31st, 2019 are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process. As a result, balances for subsequent months have and will fluctuate.

Monthly Operating Report
ACCRUAL BASIS-2

CASE NAME:	Highland Capital Management, LP
CASE NUMBER:	19-12239-CSS

Income Statement¹

(in thousands)

	Date 10/16/19 - 10/31/19	Filing to Year Ended⁽⁴⁾ 2019	Month ended⁽⁴⁾ 11/30/2020	Filing to date⁽⁴⁾
Revenue:				
Management fees	975	4,528	1,528	22,641
Shared services fees	283	1,588	579	8,465
Other income	99	1,582	296	5,373
Total operating revenue	1,357	7,697	2,403	36,479
Operating expenses:				
Compensation and benefits ⁽⁵⁾	997	1,498	1,626	19,038
Professional services	256	64	273	2,657
Investment research and consulting	10	266	4	969
Marketing and advertising expense	-	370	(65)	463
Depreciation expense	82	244	76	1,092
Bad debt expense reserve	-	8,410	124	9,839
Other operating expenses	201	1,265	539	5,647
Total operating expenses	1,545	12,118	2,577	39,706
Operating income/(loss)	(188)	(4,421)	(174)	(3,227)
Other income/expense:				
Interest income	250	1,230	481	6,602
Interest expense	(107)	(286)	(21)	(718)
Reserve against notes receivable	-	(57,963)	-	(57,963)
Re-org related expenses ⁽²⁾	-	(5,547)	(2,738)	(32,876)
Independent director fees	-	-	(210)	(2,187)
Other income/expense	32	32	(1)	(170)
Total other income/expense	175	(62,534)	(2,490)	(87,312)
Net realized gains/(losses) on investments	339	618	(4,819)	(30,030)
Net change in unrealized gains/(losses) of investments ⁽³⁾	2,654	(955)	5,143	(36,384)
	2,993	(337)	324	(66,414)
Net earnings/(losses) from equity method investees⁽³⁾	(20)	14,918	(391)	(73,925)
Net income/(loss)	\$ 2,959	\$ (52,374)	\$ (2,732)	\$ (230,878)

(1) Note on accruals: expenses recorded in the Income Statement reflect invoices recorded through accounts payable, legal invoice accruals, and normal course operating accruals, but do not reflect estimates for other incurred, but not yet received invoices.

(2) Debtor funded various retainers totaling \$790k prior to the petition date, which were entirely expensed as of the petition date.

(3) Mark to market gains/(losses) on investments include pricing updates for publicly traded securities and other positions with readily available market price information. Certain limited partnership interests normally marked to a NAV statement have not been updated as of period end as statements are generally available on a one-month lag.

(4) All balances are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process. As a result, operating results will change as these entries are made.

(5) There are additional compensation accrual amounts of \$5.7mm that are not accounted for as of the report date.

Monthly Operating Report
ACCRUAL BASIS-3A

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054

CASH RECEIPTS AND DISBURSEMENTS	FILING TO YEAR END 2019	QUARTER 1	QUARTER 2	QUARTER 3	OCTOBER	NOVEMBER
1. CASH - BEGINNING OF MONTH	\$ 2,554,230	\$ 9,501,409	\$ 12,532,467	\$ 14,993,872	\$ 5,887,813	\$ 8,752,728
RECEIPTS FROM OPERATIONS						
2. OTHER OPERATING RECEIPTS	\$ 1,862,757	\$ 1,379,338	\$ 2,983,221	\$ 2,259,736	\$ 598,804	\$ 1,568,241
3. MANAGEMENT FEES AND OTHER RELATED RECEIPTS	\$ 3,156,742	\$ 7,555,297	\$ 6,179,437	\$ 5,575,680	\$ 1,367,428	\$ 5,473,112
COLLECTION OF ACCOUNTS RECEIVABLE						
4. PREPETITION	\$ 3,593,108	\$ 76,569	\$ 3,727	\$ -	\$ -	\$ 197,173
5. POSTPETITION ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. TOTAL OPERATING RECEIPTS	\$ 8,612,608	\$ 9,011,204	\$ 9,166,385	\$ 7,835,415	\$ 1,966,232	\$ 7,238,525
NON-OPERATING RECEIPTS						
THIRD PARTY FUND ACTUAL/EXPECTED DISTRIBUTIONS						
7.	\$ 423,468	\$ 18,992,786	\$ 797,571	\$ 610,254	\$ -	\$ 289,873
8. DIVS, PAYDOWNS, MISC FROM INVESTMENT ASSETS	\$ 1,338,069	\$ 477,479	\$ 74,376	\$ 5,311	\$ 1,242	\$ 1,244
9. OTHER (ATTACH LIST)	\$ 3,390,286	\$ 1,407,103	\$ 10,010,000	\$ 8,817,099	\$ 3,269,000	\$ 2,623,121
10. TOTAL NON-OPERATING RECEIPTS	\$ 5,151,822	\$ 20,877,369	\$ 10,881,947	\$ 9,432,664	\$ 3,270,242	\$ 2,914,237
11. TOTAL RECEIPTS	\$ 13,764,430	\$ 29,888,573	\$ 20,048,331	\$ 17,268,080	\$ 5,236,475	\$ 10,152,762
12. TOTAL CASH AVAILABLE				\$ 32,261,951	\$ 11,124,288	\$ 18,905,490
OPERATING DISBURSEMENTS						
13. PAYROLL, BENEFITS, AND TAXES + EXP REIMB	\$ 3,776,446	\$ 8,825,042	\$ 4,886,314	\$ 8,806,880	\$ 1,347,709	\$ 1,602,768
14. SINGAPORE SERVICE FEES	\$ 95,118	\$ 58,129	\$ 2,965	\$ -	\$ 10,547	\$ -
15. HCM LATIN AMERICA	\$ 200,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
16. THIRD PARTY FUND CAPITAL CALL OBLIGATION	\$ 1,426,987	\$ 7,812,469	\$ 3,087,163	\$ 979,631	\$ 110,220	\$ 722,194
17. UTILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18. INSURANCE	\$ -	\$ 533,940	\$ 376,376	\$ 163,400	\$ -	\$ -
19. INVENTORY PURCHASES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20. VEHICLE EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21. TRAVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22. ENTERTAINMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23. REPAIRS & MAINTENANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24. SUPPLIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25. ADVERTISING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26. OTHER (ATTACH LIST)	\$ 1,318,700	\$ 3,283,898	\$ 3,195,054	\$ 3,633,331	\$ 653,828	\$ 1,022,221
27. TOTAL OPERATING DISBURSEMENTS	\$ 6,817,251	\$ 20,613,478	\$ 11,547,870	\$ 13,583,243	\$ 2,122,305	\$ 3,347,183
REORGANIZATION EXPENSES						
28. PROFESSIONAL FEES	\$ -	\$ 5,460,546	\$ 5,572,032	\$ 11,551,682	\$ 39,255	\$ 1,731,613
29. U.S. TRUSTEE FEES	\$ -	\$ 68,173	\$ 167,025	\$ 277,924	\$ -	\$ 250,000
30. OTHER (ATTACH LIST)	\$ -	\$ 715,317	\$ 300,000	\$ 961,289	\$ 210,000	\$ 210,000
31. TOTAL REORGANIZATION EXPENSES	\$ -	\$ 6,244,037	\$ 6,039,057	\$ 12,790,896	\$ 249,255	\$ 2,191,613
32. TOTAL DISBURSEMENTS	\$ 6,817,251	\$ 26,857,515	\$ 17,586,927	\$ 26,374,138	\$ 2,371,560	\$ 5,538,796
33. NET CASH FLOW	\$ 6,947,179	\$ 3,031,058	\$ 2,461,404	\$ (9,106,059)	\$ 2,864,915	\$ 4,613,966
34. CASH - END OF MONTH	\$ 9,501,409	\$ 12,532,467	\$ 14,993,872	\$ 5,887,813	\$ 8,752,728	\$ 13,366,694

1 All postpetition receipts are included in line 3, Management Fees and Other Related Receipts.

Monthly Operating Report
ACCURAL BASIS-3B

CASE NAME:	Highland Capital Management
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OPERATING RECEIPTS - OTHER

Date	Amount	Type
11/12/2020	2,623,121	SSP Loan

OPERATING DISBURSEMENTS - OTHER

Date	Amount	Vendor
11/2/2020	30,820	Third Party Consultant
11/2/2020	159,061	Crescent TC Investors LP
11/4/2020	46,292	East West Visa Payment
11/6/2020	471	UPS Supply Chain Solutions
11/6/2020	600	Action Shred of Texas
11/6/2020	1,019	GRUBHUB for Work
11/6/2020	1,443	S&P Global Market Intelligence
11/6/2020	1,554	Canteen Vending Services
11/6/2020	2,466	Thomson West
11/6/2020	4,074	Concur Technologies, Inc.
11/6/2020	4,996	Oak Cliff Office Products
11/6/2020	5,885	ABM
11/6/2020	14,520	Third Party Consultant
11/6/2020	18,042	Siepe Software, LLC
11/6/2020	31,388	Centroid
11/6/2020	35,200	Intex Solutions, Inc.
11/6/2020	47,471	Houlihan Lokey
11/6/2020	199,718	Bloomberg Finance LP
11/6/2020	446	Ace Parking Management Inc.
11/10/2020	6,190	TW Telecom Holdings, llc
11/10/2020	53,123	John R Ames, CTA
11/10/2020	2,669	Iron Mountain Records Management
11/13/2020	4,591	Third Party Consultant
11/13/2020	95,940	Bloomberg Finance LP
11/13/2020	6,271	Intelligent Discovery Solutions, Inc.
11/16/2020	118	Arkadin, Inc.
11/16/2020	224	American Solutions for Business
11/16/2020	273	UPS Supply Chain Solutions
11/16/2020	508	Verity Group
11/16/2020	1,160	Canteen Vending Services
11/16/2020	1,335	GRUBHUB for Work
11/16/2020	2,129	NYSE MARKET, INC
11/16/2020	5,391	ICE Data Pricing & Reference Data, LLC
11/16/2020	7,995	Intralinks
11/16/2020	11,496	KPMG LLP
11/17/2020	2,092	Zayo Group, LLC
11/17/2020	971	EastWest Bank
11/19/2020	825	Xerox Corporation
11/20/2020	138	AT&T
11/20/2020	4,629	Liberty Life Assurance Company of Boston - Group Benefits
11/20/2020	15,250	HE Peoria Place
11/20/2020	12,500	Bloomberg Finance LP
11/20/2020	549	Pitney Bowes Financial Services LLC
11/20/2020	32	Pitney Bowes Financial Services LLC
11/20/2020	32	Pitney Bowes Financial Services LLC
11/20/2020	2,845	AT&T
11/20/2020	790	AT&T
11/20/2020	870	AT&T
11/20/2020	7,251	AT&T
11/23/2020	11,888	Flexential Colorado Corp.
11/23/2020	7,500	MacroMavens, LLC
11/23/2020	1,375	Canteen Vending Services
11/23/2020	146	Secured Access Systems, LLC
11/23/2020	289	UPS Supply Chain Solutions
11/23/2020	249	CHASE COURIERS, INC
11/23/2020	225	Four Seasons Plantscaping, LLC
11/23/2020	481	DTCC ITP LLC
11/23/2020	131,149	Siepe Services, LLC
11/25/2020	1,422	GRUBHUB for Work
11/25/2020	2,845	AT&T
11/30/2020	11,000	Third Party Consultant
	1,022,221	

REORGANIZATION EXPENSES - OTHER

Date	Amount	Description
11/2/2020	30,000	Dubel & Associates, L.L.C.
11/2/2020	150,000	J.P. Seery & Co. LLC
11/2/2020	30,000	Nelms and Associates
	210,000	

Monthly Operating Report
ACCRUAL BASIS-4

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054

MGMT FEE RECEIVABLE AGING ²		August ³	September ³	October ³	November ³
1.	0-30	\$1,768,818	\$2,577,696	\$3,148,887	\$1,495,877
2.	31-60	\$772,384		\$807,441	
3.	61-90		\$772,384		
4.	91+			\$746,913	
5.	TOTAL MGMT FEE RECEIVABLE	\$ 2,541,202	\$ 3,350,080	\$ 4,703,241	\$ 1,495,877
6.	AMOUNT CONSIDERED UNCOLLECTIBLE				
7.	MGMT FEE RECEIVABLE (NET)	\$ 2,541,202	\$ 3,350,080	\$ 4,703,241	\$ 1,495,877

AGING OF POSTPETITION TAXES AND PAYABLES		MONTH: <u>November 2020</u>			
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					\$0
2. STATE					\$0
3. LOCAL					\$0
4. OTHER (ATTACH LIST)					\$0
5. TOTAL TAXES PAYABLE	\$0	\$0	\$0	\$0	\$0
6. ACCOUNTS PAYABLE	\$625,935	\$6,277	\$17,276	\$100,881	\$750,368

STATUS OF POSTPETITION TAXES ¹		MONTH: <u>November 2020</u>			
FEDERAL	BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND/ OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
1. WITHHOLDING				\$0	
2. FICA-EMPLOYEE				\$0	
3. FICA-EMPLOYER				\$0	
4. UNEMPLOYMENT				\$0	
5. INCOME				\$0	
6. OTHER (ATTACH LIST)				\$0	
7. TOTAL FEDERAL TAXES	\$0	\$0	\$0	\$0	
STATE AND LOCAL					
8. WITHHOLDING				\$0	
9. SALES				\$0	
10. EXCISE				\$0	
11. UNEMPLOYMENT				\$0	
12. REAL PROPERTY	\$0	\$0	\$0	\$0	
13. PERSONAL PROPERTY				\$0	
14. OTHER (ATTACH LIST)				\$0	
15. TOTAL STATE & LOCAL	\$0	\$0	\$0	\$0	
TOTAL TAXES	\$0	\$0	\$0	\$0	

1 The Debtor funds all state and federal employment taxes to Paylocity, who files all required federal and state related employment reports and withholdings.

2 Aging based on when management fee is due and payable.

3 All balances are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process.

Monthly Operating Report
 ACCRUAL BASIS-5

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054

MONTH: November 2020

BANK RECONCILIATIONS		Account #1	Account #2	Account #3	Account #4	Account #5	Account #6	
A. BANK:	East West Bank	East West Bank	Maxim Group	Jefferies LLC	Nexbank	East West Bank	TOTAL	
B. ACCOUNT NUMBER:	x4686	x4693	x1885	x0932	x5891	x5848		
C. PURPOSE (TYPE):	Operating	Insurance	Brokerage	Brokerage	CD	Prepaid Card		
1. BALANCE PER BANK STATEMENT ¹	\$ 13,124,581	\$ 3,842	\$ 30	\$ -	\$ 138,190	\$ 100,068	\$ 13,366,710	
2. ADD: TOTAL DEPOSITS NOT CREDITED							\$ -	
3. SUBTRACT: OUTSTANDING CHECKS							\$ -	
4. OTHER RECONCILING ITEMS							\$ -	
5. MONTH END BALANCE PER BOOKS	\$ 13,124,581	\$ 3,842	\$ 30	\$ -	\$ 138,190	\$ 100,068	\$ 13,366,710	
6. NUMBER OF LAST CHECK WRITTEN	100510	n/a	n/a	n/a	n/a	n/a	n/a	

INVESTMENT ACCOUNTS		DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
BANK, ACCOUNT NAME & NUMBER					
7.					
8.					
9.					
10.					
11. TOTAL INVESTMENTS				\$0	\$0

CASH	
12. CURRENCY ON HAND	\$0
13. TOTAL CASH - END OF MONTH	\$13,366,710

1 Account x6342 is now closed.

Monthly Operating Report
ACCRUAL BASIS-6

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054

MONTH: November 2020**PAYMENTS TO INSIDERS AND PROFESSIONALS**

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID POST PETITION
1 Frank Waterhouse	Salary	\$33,333	\$427,083
2 Frank Waterhouse	Expense Reimbursement	\$384	\$6,605
3 Scott Ellington	Salary	\$37,500	\$506,250
4 Scott Ellington	Expense Reimbursement	\$260	\$6,598
5 James Dondero	Salary	\$0	\$129,972
6 James Dondero	Expense Reimbursement ¹	\$0	\$16,918
7 Thomas Surgent	Salary	\$33,333	\$450,000
8 Thomas Surgent	Expense Reimbursement	\$400	\$4,981
9 Trey Parker	Salary	\$0	\$131,250
10 Trey Parker	Expense Reimbursement	\$0	\$6,212
TOTAL PAYMENTS TO INSIDERS		\$105,210	\$1,685,869

¹ The total amount of reimbursements during the reporting month also included \$3,129 for use of the credit card by the Debtor for office related expenses such as subscriptions and IT equipment/software.

PROFESSIONALS²

NAME	DATE OF MONTHLY FEE APPLICATION	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. Kurtzman Carson Consultants LLC		41,435	41,435	573,957	54,170
2. Sidley Austin LLP		511,998	511,998	6,319,089	821,421
3. Young Conaway Stargatt & Taylor LLP		-	-	281,156	-
4. FTI Consulting, Inc.		382,499	382,499	3,989,791	425,593
5. Pachulski Stang Ziehl & Jones LLP		541,680	541,680	8,976,900	970,463
6. Hayward & Associates PLLC		4,871	4,871	261,283	67,488
7. Development Specialists, Inc.		249,129	249,129	2,600,354	249,129
8. Foley & Lardner LLP		-	-	464,294	132,045
9. Mercer (US) Inc.		-	-	170,284	-
10. Wilmer Cutler Pickering Hale and Dorr LLP		-	-	618,643	
11. Meta-e Discovery LLC		-	-	165,000	
TOTAL PAYMENTS TO PROFESSIONALS			1,731,613	24,420,749	2,720,310

2 Does not include payments to ordinary course professionals.

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. Crescent TC Investors LP (rent portion only)	130,364	130,364	-
2.			
3.			
4.			
5.			
6. TOTAL	130,364	\$130,364	\$0

Monthly Operating Report

ACCRUAL BASIS-7

CASE NAME: Highland Capital Management

CASE NUMBER: 19-34054

MONTH: November 2020

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		x
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		x
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?	x	
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		x
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		x
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		x
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		x
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		x
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		x
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		x
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		x
12. ARE ANY WAGE PAYMENTS PAST DUE?		x

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

3 Debtor generates fee income and other receipts from various related parties in normal course, see cash management motion for further discussion.

INSURANCE

INSURANCE	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	x	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	x	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS